



# San Diego City Attorney **MICHAEL J. AGUIRRE**

## **NEWS RELEASE**

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**Contact: Communications Division (619) 235-5725**

### **AGUIRRE SAYS FINANCIAL BAILOUT BY FEDS SHOULD INCLUDE FORECLOSURE MORATORIUM**

**San Diego, CA**— City Attorney Michael Aguirre is reiterating his call for a foreclosure moratorium to provide relief to homeowners, saying it's the right thing to do, as the federal government considers a \$700 billion bailout of the financial industry that is responsible for triggering the financial meltdown.

Aguirre's plea comes the day before he is to represent the City in a federal court hearing in Boston that will consider a venue for litigation against Countrywide Financial Corporation for alleged predatory lending practices. Lawsuits have also been brought by the Attorneys General of Florida, West Virginia, Connecticut, Illinois and Indiana. Aguirre called for a freeze on foreclosures in July, at the same time he filed a lawsuit against Countrywide.

"Halting the housing market meltdown – which is key to the economic crisis - requires that we provide a way for re-working mortgage terms so families can stay in their homes," said Aguirre. "If we fail to help desperate homeowners, the proposed bailout will merely establish the U.S. government as the prime lender to troubled households, while allowing major mortgage lenders and financial corporations to avoid the consequences of their reckless and illegal lending practices."

The Chairman of the Federal Deposit Insurance Corporation (FDIC) is also urging Congress to adopt a bailout plan that includes a moratorium on foreclosures. It will give lenders time to modify certain sub-prime loans, making them affordable for struggling homeowners.

The FDIC stopped foreclosures on loans made by the IndyMac Bank, which the FDIC recently seized in July. As part of its action, the FDIC has ordered IndyMac to offer loan refinancing packages to its customers who have fallen behind on their mortgages.

On September 8, Robert Mooney, Chief Deputy with the FDIC, appeared before the City Council requesting that they support the City Attorney's resolution for a mortgage moratorium in the City of San Diego. The City Council opted to refer the resolution to the San Diego Community Reinvestment Task Force, co-chaired by Councilmember Tony Young, for its recommendation.

To view the City Attorney's lawsuit against Countrywide, visit [www.sandiegocityattorney.org](http://www.sandiegocityattorney.org), click Foreclosure Crisis.

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